



Review of 1Q10 Results

Doğan Gazetecilik A.Ş.

May 10, 2010

 **Milliyet**

POSTA

 **VATAN**
İNTERNETİN EN HIZLI YÖKSELEN GAZETESİ

 **Radikal**

 **FANATİK**

 **Milliyet.com.tr**
SAĞINDA ÖZEL

arabam.com

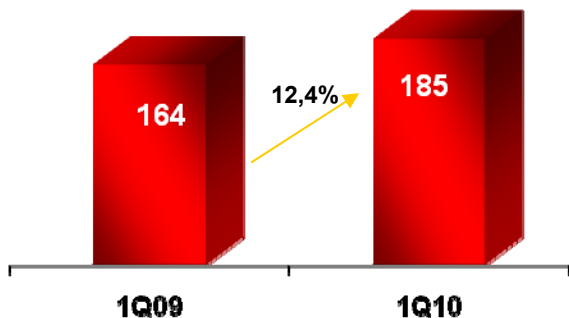
 **Milliyet Emlak**

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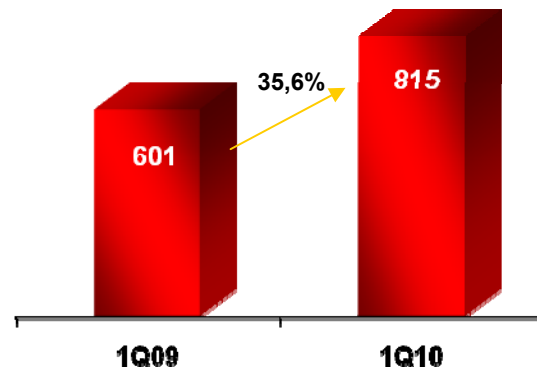
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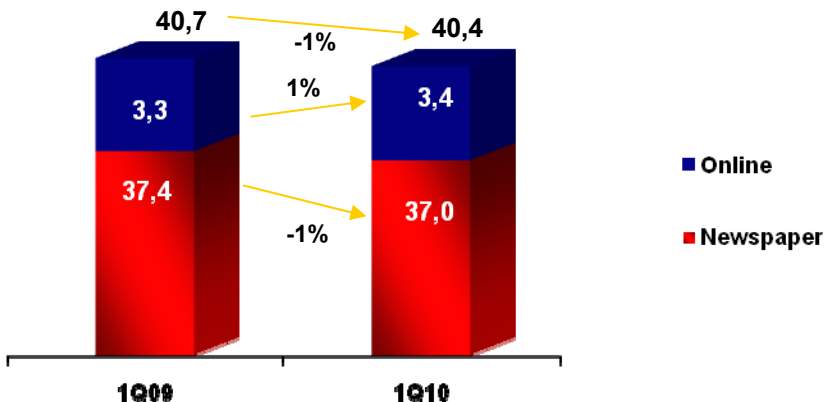
Newspapers – Turkey (Est)
(TLm)



Total Ad Market – Turkey (Est)
(TLm)








Doğan Gazetecilik Ad Growth*
(TL m)



- Doğan Gazetecilik ad revenues remained stable in 1Q10 at TL41 mn; while Posta title outperformed the market and increased by 14,7% yoy.

*Ad revenue plus amortised cost valuation income

- Average cover prices in 1Q10 were around 30% higher compared to 1Q09. Due to cover price increases, circulations were under pressure.

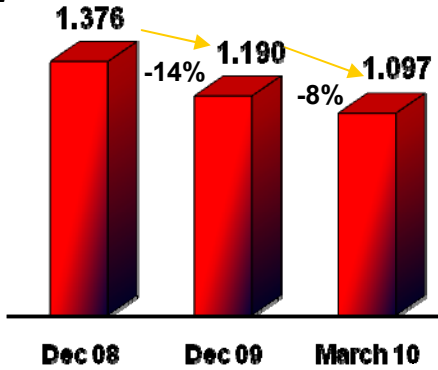
Market Shares	1Q09	1Q10	Ch yoy
CIRCULATION MARKET SHARE	26,2%	23,9%	-2,3%
Doğan Gazetecilik Daily Average Circulation (000 units)	1.300	1.130	-13%
 Milliyet	231	221	-4%
 POSTA	603	511	-15%
 VATAN	230	182	-21%
 Radikal	44	38	-13%
 FANATİK	192	177	-8%
Nationwide average circulation (000 units)	4.959	4.720	-4,8%

- In advertising revenues, Posta outperformed the market in 1Q10. Overall, Doğan Gazetecilik ad revenues remained stable in 1Q10 vs. 1Q09, since the remaining titles' performances were below the market.
- Cost cutting measures and cover price increases helped EBITDA to recover from a loss in 1Q09 to a profit in 1Q10.
- Mr. Servet Topaloğlu is appointed as the new CEO of Dogan Gazetecilik in February 2010
- Promotion campaigns for Milliyet and Posta titles accelerated in 1Q10.
- Tax settlement is concluded with the Tax Authority with a total amount of 8.833.140 TL and payment made in January 2010. Currently, there is 948.012 TL outstanding tax issues in legal process.

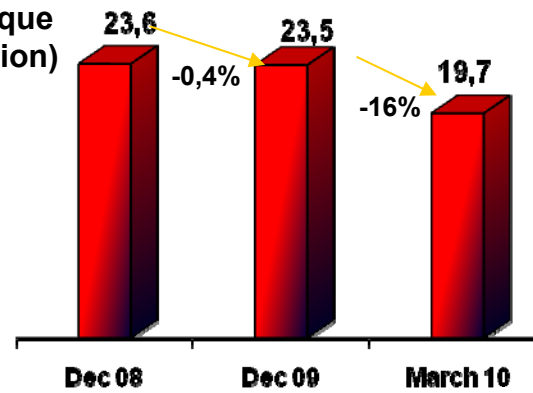
Vatan's monthly unique visitors expanding



Page view (million)



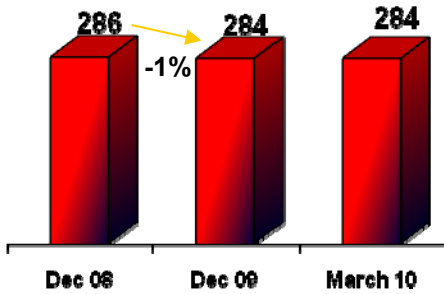
Monthly Unique Visitors (million)



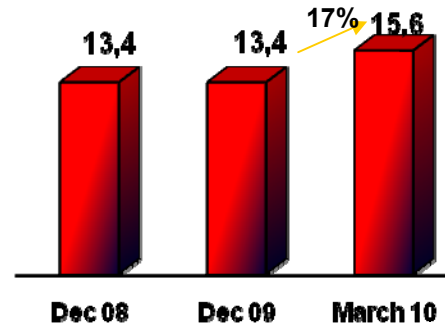
News,
blogging,
video



Page view (million)



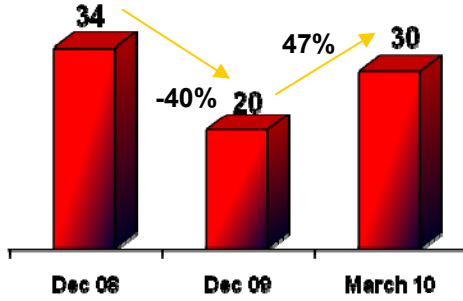
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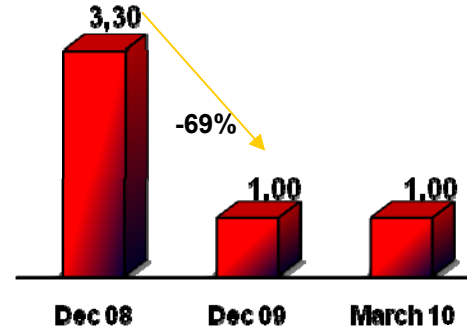
News,
blogging,
video

Milliyet Emlak

Page view
(million)



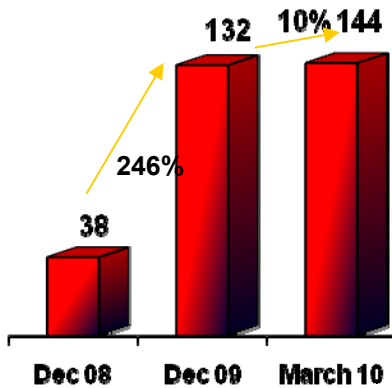
Monthly Unique
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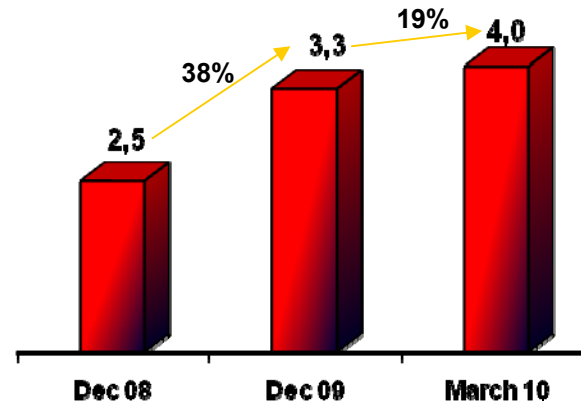
**Real Estate
Classifieds**

Page view
(million)

arabam.com



Monthly Unique
Visitors (million)



**Auto
Classifieds***

* arabam.com internet traffic statistics as of 2008 is derived from the data channeled from milliyet.com.tr

(TL'000)	FY09	1Q09	1Q10	1Q10/09 % Ch.
Sales	350.364	79.823	84.697	6%
Cost of sales	230.046	64.392	51.478	-20%
Gross profit	120.318	15.431	33.219	115%
Operating expenses	122.760	27.580	33.739	22%
Ebit*	-2.442	-12.149	-520	-96%
Ebit Margin	-0,7%	-15,2%	-0,6%	
Ebitda	6.696	-9.357	1.648	NA
Ebitda Margin	1,9%	-11,7%	1,9%	
Net Profit	-16.255	-14.848	-1.023	-93%
Net Profit Margin	-4,6%	-18,6%	-1,2%	
<i>Amortised cost valuation income(net)</i>	<i>1.709</i>	<i>810</i>	<i>350</i>	<i>-57%</i>
<i>Depreciation & amortisation</i>	<i>7.428</i>	<i>1.981</i>	<i>1.819</i>	<i>-8%</i>



* EBIT figures are based on reported balances before other income /expenses and financial income /expenses

- Circulation revenues are up 12% in FY09, thanks to raises in copy prices.



Revenues (TL '000)	FY09	1Q09	1Q10	1Q10/09 Ch (%)
Circulation Revenues				
Revenue (TL '000)	167.587	38.783	43.445	12%
Circulation (000) (daily average sales)	1.181	1.300	1.130	-13%
Advertisement Revenues				
Revenue (TL '000)	164.129	36.244	36.548	1%
Internet Revenues				
Revenue (TL '000)	14.137	3.378	3.411	1%
Other Revenues				
Service and other (TL '000)	4.512	1.418	1.293	-9%
Total Revenues	350.365	79.823	84.697	6%

Main reasons of the decrease in newspaper costs by 44% are the decline in circulation and 37% decline in newsprint costs per ton in USD terms and revaluation of USD against TL by 9%.

Costs	FY09	1Q09	1Q10	1Q10/09 Ch (%)
Cost of Sales (TL '000)	230.046	64.392	51.478	-20%
Newsprint costs*	113.492	37.569	20.955	-44%
Printing & other costs	116.554	26.822	30.523	14%
Operating Expenses (TL '000)	122.760	27.580	33.739	22%
General & Administrative Expenses	27.222	5.943	6.216	5%
Sales & Marketing Expenses	95.538	21.637	27.523	27%
Total Costs	352.806	91.971	85.217	-7%

Increase in sales & marketing expenses yoy is mainly due to promotion campaigns for Posta and Milliyet titles and related advertising and distribution expenses.

(TL '000)

Profitability	FY09	1Q09	1Q10	1Q10/09 Ch (%)
EBIT	(2.442)	(12.149)	(520)	-96%
Other Income/(Expense) - net	(9.600)	(338)	344	NA
Financial Income/(Expense) - net	(4.376)	(4.782)	(1.362)	-72%
Minority	(132)	(1)	(22)	NA
Profit before tax	(16.549)	(17.269)	(1.559) 	-91%
Taxation	293	2.421	537	-78%
- Corporate tax	(2.276)	(38)	(17)	-55%
- Deferred tax	2.569	2.459	554	-77%
Net Income	(16.255)	(14.848)	(1.023) 	-93%

Investments & Financing (TL '000)	FY09	1Q10	ch%
CASH AND CASH EQUIVALENTS	1.231	3.724	202,6%
S.T. BANK BORROWINGS	20.015	9.099	-54,5%
L.T. BANK BORROWINGS	-	-	-
NET CASH / (NET DEBT)	(18.784)	(5.375)	-71,4%
INVESTMENTS	1.603	255	-84,1%

- Total advertising market is expected to recover in 2010; already started with strong 1Q10 results.
- Posta title with its high reach in total readers is likely to continue to outperform in 2010.
- Marketing and promotion campaigns will be parallel to the recovery in the market.
- Operational profitability is expected to normalize further within 2010.